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# Return of Private Foundation or Section 4947(a)(1) Nonexempt Charitable Trust Treated as a Private Foundation

2009

Department of the Treasury  
Internal Revenue Service

Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements.

For calendar year 2009, or tax year beginning , and ending

Check all that apply: ☐ Initial return ☐ Initial return of a former public charity ☐ Final return  
☐ Amended return ☐ Address change ☐ Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of foundation <b>MICHAEL E. MURPHY FOUNDATION</b>		A Employer identification number <b>36-3436624</b>
	Number and street (or P O box number if mail is not delivered to street address) <b>1242 N. LAKE SHORE DRIVE</b>	Room/suite <b>25</b>	B Telephone number <b>(312) 580-7820</b>
	City or town, state, and ZIP code <b>CHICAGO, IL 60610</b>		C If exemption application is pending, check here <input type="checkbox"/> D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation			E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) <b>\$ 2,916,816.</b> (Part I, column (d) must be on cash basis)		J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received				N/A	
2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B					
3 Interest on savings and temporary cash investments		14,356.	14,356.		STATEMENT 1
4 Dividends and interest from securities		58,289.	58,289.		STATEMENT 2
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		<16,794.>			
b Gross sales price for all assets on line 6a		296,133.			
7 Capital gain net income (from Part IV line 2)			0.		
8 Net short-term capital gain					
9 Income modifications					
10a Gross sales less returns and allowances					
b Less: Cost of goods sold					
c Gross profit or (loss)					
11 Other income					
12 Total. Add lines 1 through 11		55,851.	72,645.		
13 Compensation of officers, directors, trustees, etc		0.	0.		0.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees STMT 3		550.	0.		0.
b Accounting fees STMT 4		2,800.	0.		0.
c Other professional fees					
17 Interest					
18 Taxes STMT 5		570.	570.		0.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses STMT 6		1,165.	0.		0.
24 Total operating and administrative expenses. Add lines 13 through 23		5,085.	570.		0.
25 Contributions, gifts, grants paid		149,850.			149,850.
26 Total expenses and disbursements. Add lines 24 and 25		154,935.	570.		149,850.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		<99,084.>			
b Net investment income (if negative, enter -0-)			72,075.		
c Adjusted net income (if negative, enter -0-)				N/A	

Part II Balance Sheets		Beginning of year	End of year	
			(a) Book Value	(b) Book Value
Assets	1 Cash - non-interest-bearing	1,093,775.	141,894.	141,894.
	2 Savings and temporary cash investments			
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock STMT 7	1,487,862.	2,314,189.	2,528,835.
	c Investments - corporate bonds STMT 8	225,862.	252,332.	246,087.
Liabilities	11 Investments - land, buildings, and equipment: basis ▶			
	Less: accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other			
	14 Land, buildings, and equipment: basis ▶			
	Less: accumulated depreciation ▶			
	15 Other assets (describe ▶)			
	16 Total assets (to be completed by all filers)	2,807,499.	2,708,415.	2,916,816.
	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)	0.	0.	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	1,661,899.	1,661,899.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	1,145,600.	1,046,516.	
	30 Total net assets or fund balances	2,807,499.	2,708,415.	
	31 Total liabilities and net assets/fund balances	2,807,499.	2,708,415.	

## Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	2,807,499.
2 Enter amount from Part I, line 27a	2	<99,084.>
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	2,708,415.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	2,708,415.

**Part IV Capital Gains and Losses for Tax on Investment Income**

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
<b>1a SEE ATTACHED</b>	<b>P</b>	<b>VARIOUS</b>	<b>VARIOUS</b>
<b>b SEE ATTACHED</b>	<b>P</b>	<b>VARIOUS</b>	<b>VARIOUS</b>
<b>c CAPITAL GAINS DIVIDENDS</b>			
<b>d</b>			
<b>e</b>			

  

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
<b>a 227,606.</b>		<b>234,767.</b>	<b>&lt;7,161.&gt;</b>
<b>b 68,519.</b>		<b>78,160.</b>	<b>&lt;9,641.&gt;</b>
<b>c 8.</b>			<b>8.</b>
<b>d</b>			
<b>e</b>			

  

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
<b>a</b>			<b>&lt;7,161.&gt;</b>
<b>b</b>			<b>&lt;9,641.&gt;</b>
<b>c</b>			<b>8.</b>
<b>d</b>			
<b>e</b>			

  

<b>2 Capital gain net income or (net capital loss)</b>	<div>           { If gain, also enter in Part I, line 7            If (loss), enter -0- in Part I, line 7         </div>	<b>2</b>	<b>&lt;16,794.&gt;</b>
<b>3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):</b>	<div>           If gain, also enter in Part I, line 8, column (c).            If (loss), enter -0- in Part I, line 8         </div>	<b>3</b>	<b>N/A</b>

**Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income**

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

☐ Yes ☒ No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

**1** Enter the appropriate amount in each column for each year; see instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2008	191,025.	2,867,669.	.066613
2007	164,424.	2,487,579.	.066098
2006	94,850.	1,534,376.	.061817
2005	76,650.	919,174.	.083390
2004	147,880.	802,859.	.184192

  

<b>2 Total of line 1, column (d)</b>	<b>2</b>	<b>.462110</b>
<b>3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years</b>	<b>3</b>	<b>.092422</b>
<b>4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5</b>	<b>4</b>	<b>2,579,894.</b>
<b>5 Multiply line 4 by line 3</b>	<b>5</b>	<b>238,439.</b>
<b>6 Enter 1% of net investment income (1% of Part I, line 27b)</b>	<b>6</b>	<b>721.</b>
<b>7 Add lines 5 and 6</b>	<b>7</b>	<b>239,160.</b>
<b>8 Enter qualifying distributions from Part XII, line 4</b>	<b>8</b>	<b>149,850.</b>

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.

**Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)**

1a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)		1	1,442.
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b. ....		2	0.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)		3	1,442.
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
3 Add lines 1 and 2		5	1,442.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)			
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-			
6 Credits/Payments:			
a 2009 estimated tax payments and 2008 overpayment credited to 2009	6a 7,531.	7	7,531.
b Exempt foreign organizations - tax withheld at source	6b	8	
c Tax paid with application for extension of time to file (Form 8868)	6c	9	
d Backup withholding erroneously withheld	6d	10	6,089.
7 Total credits and payments. Add lines 6a through 6d		11	0.
8 Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached			
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed			
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid			
11 Enter the amount of line 10 to be: Credited to 2010 estimated tax	6,089. Refunded		

**Part VII-A Statements Regarding Activities**

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		X
1c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ► \$ 0. (2) On foundation managers. ► \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ► \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		N/A
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV.	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ► IL		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2009 or the taxable year beginning in 2009 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

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**Part VII-A Statements Regarding Activities** (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	
Website address ► N/A				
14	The books are in care of ► MICHAEL E. MURPHY	Telephone no. ►	(312) 580-7820	
Located at ► 1242 N. LAKE SHORE DRIVE, #25, CHICAGO, IL		ZIP+4 ►	60610	
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here	► <input type="checkbox"/>		
and enter the amount of tax-exempt interest received or accrued during the year		15	N/A	

**Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required**

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

	Yes	No
<b>1a</b> During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>b</b> If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here	N/A	
<b>c</b> Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2009?	1c	X
<b>2</b> Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
<b>a</b> At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
If "Yes," list the years ►		
<b>b</b> Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.)	N/A	
<b>c</b> If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here.		
<b>3a</b> Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>b</b> If "Yes," did it have excess business holdings in 2009 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2009.)	N/A	
<b>4a</b> Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
<b>b</b> Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2009?	4b	X

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**Part VII-B** Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5a** During the year did the foundation pay or incur any amount to:

- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No
- (2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No
- (3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No
- (4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? ☐ Yes ☒ No
- (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

**b** If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

N/A

5b

Organizations relying on a current notice regarding disaster assistance check here ☐**c** If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?

N/A

☐ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53.4945-5(d)

**6a** Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?☐ Yes ☒ No

6b

**b** Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

If "Yes" to 6b, file Form 8870

**7a** At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?☐ Yes ☒ No**b** If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?

N/A

7b

**Part VIII** Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1** List all officers, directors, trustees, foundation managers and their compensation.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 9		0.	0.	0.

**2** Compensation of five highest-paid employees (other than those included on line 1). If none, enter "NONE."

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

Total number of other employees paid over \$50,000

0

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**Part X** Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

<b>1</b>	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:	
<b>a</b>	Average monthly fair market value of securities	<b>1a</b> 2,238,619.
<b>b</b>	Average of monthly cash balances	<b>1b</b> 380,563.
<b>c</b>	Fair market value of all other assets	<b>1c</b>
<b>d</b>	Total (add lines 1a, b, and c)	<b>1d</b> 2,619,182.
<b>e</b>	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	<b>1e</b> 0.
<b>2</b>	Acquisition indebtedness applicable to line 1 assets	<b>2</b> 0.
<b>3</b>	Subtract line 2 from line 1d	<b>3</b> 2,619,182.
<b>4</b>	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	<b>4</b> 39,288.
<b>5</b>	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	<b>5</b> 2,579,894.
<b>6</b>	Minimum investment return. Enter 5% of line 5	<b>6</b> 128,995.

**Part XI** Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ☐ and do not complete this part.)

<b>1</b>	Minimum investment return from Part X, line 6	<b>1</b> 128,995.
<b>2a</b>	Tax on investment income for 2009 from Part VI, line 5	<b>2a</b> 1,442.
<b>b</b>	Income tax for 2009. (This does not include the tax from Part VI.)	<b>2b</b>
<b>c</b>	Add lines 2a and 2b	<b>2c</b> 1,442.
<b>3</b>	Distributable amount before adjustments. Subtract line 2c from line 1	<b>3</b> 127,553.
<b>4</b>	Recoveries of amounts treated as qualifying distributions	<b>4</b> 0.
<b>5</b>	Add lines 3 and 4	<b>5</b> 127,553.
<b>6</b>	Deduction from distributable amount (see instructions)	<b>6</b> 0.
<b>7</b>	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	<b>7</b> 127,553.

**Part XII** Qualifying Distributions (see instructions)

<b>1</b>	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:	
<b>a</b>	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	<b>1a</b> 149,850.
<b>b</b>	Program-related investments - total from Part IX-B	<b>1b</b> 0.
<b>2</b>	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	<b>2</b>
<b>3</b>	Amounts set aside for specific charitable projects that satisfy the:	
<b>a</b>	Suitability test (prior IRS approval required)	<b>3a</b>
<b>b</b>	Cash distribution test (attach the required schedule)	<b>3b</b>
<b>4</b>	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	<b>4</b> 149,850.
<b>5</b>	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	<b>5</b> 0.
<b>6</b>	Adjusted qualifying distributions. Subtract line 5 from line 4	<b>6</b> 149,850.

**Note.** The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

**Part XIII** Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
<b>1</b> Distributable amount for 2009 from Part XI, line 7				127,553.
<b>2</b> Undistributed income, if any, as of the end of 2009				
<b>a</b> Enter amount for 2008 only			0.	
<b>b</b> Total for prior years:		0.		
<b>3</b> Excess distributions carryover, if any, to 2009:				
<b>a</b> From 2004	117,394.			
<b>b</b> From 2005	37,428.			
<b>c</b> From 2006	21,965.			
<b>d</b> From 2007	50,741.			
<b>e</b> From 2008	50,831.			
<b>f</b> Total of lines 3a through e	278,359.			
<b>4</b> Qualifying distributions for 2009 from Part XII, line 4: ▶ \$	149,850.			
<b>a</b> Applied to 2008, but not more than line 2a			0.	
<b>b</b> Applied to undistributed income of prior years (Election required - see instructions)		0.		
<b>c</b> Treated as distributions out of corpus (Election required - see instructions)	0.			
<b>d</b> Applied to 2009 distributable amount				127,553.
<b>e</b> Remaining amount distributed out of corpus	22,297.			
<b>5</b> Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
<b>6</b> Enter the net total of each column as indicated below:				
<b>a</b> Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	300,656.			
<b>b</b> Prior years' undistributed income. Subtract line 4b from line 2b		0.		
<b>c</b> Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
<b>d</b> Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
<b>e</b> Undistributed income for 2008. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
<b>f</b> Undistributed income for 2009. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010				0.
<b>7</b> Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
<b>8</b> Excess distributions carryover from 2004 not applied on line 5 or line 7	117,394.			
<b>9</b> Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	183,262.			
<b>10</b> Analysis of line 9:				
<b>a</b> Excess from 2005	37,428.			
<b>b</b> Excess from 2006	21,965.			
<b>c</b> Excess from 2007	50,741.			
<b>d</b> Excess from 2008	50,831.			
<b>e</b> Excess from 2009	22,297.			







## Part XVII

## Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

- |          |  | Yes          | No       |
|----------|--|--------------|----------|
| <b>1</b> | Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?  |              |          |
| <b>a</b> | Transfers from the reporting foundation to a noncharitable exempt organization of:   |              |          |
|          | (1) Cash   | <b>1a(1)</b> | <b>X</b> |
|          | (2) Other assets   | <b>1a(2)</b> | <b>X</b> |
| <b>b</b> | Other transactions:  |              |          |
|          | (1) Sales of assets to a noncharitable exempt organization   | <b>1b(1)</b> | <b>X</b> |
|          | (2) Purchases of assets from a noncharitable exempt organization   | <b>1b(2)</b> | <b>X</b> |
|          | (3) Rental of facilities, equipment, or other assets   | <b>1b(3)</b> | <b>X</b> |
|          | (4) Reimbursement arrangements   | <b>1b(4)</b> | <b>X</b> |
|          | (5) Loans or loan guarantees   | <b>1b(5)</b> | <b>X</b> |
|          | (6) Performance of services or membership or fundraising solicitations   | <b>1b(6)</b> | <b>X</b> |
| <b>c</b> | Sharing of facilities, equipment, mailing lists, other assets, or paid employees   | <b>1c</b>    | <b>X</b> |
| <b>d</b> | If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received. |              |          |

[illegible]

- 2a** Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☒ Yes ☐ No
- b** If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
	N/A	

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer or trustee <u>[Signature]</u>		Date <u>4/30/10</u>		Title <u>Vice President and Treasurer</u>	
	Preparer's signature <u>[Signature]</u>		Date <u>4/29/10</u>		Check if self-employed <input type="checkbox"/>	
Paid Preparer's Use Only	Firm's name (or yours if self-employed), address, and ZIP code <b>THE MOSAIC FINANCIAL GROUP LLC</b> <b>330 NORTH WABASH AVENUE, SUITE 1650</b> <b>CHICAGO, IL 60611</b>		EIN <u>                    </u>		Preparer's identifying number <u>343-76-9280</u>	
	Phone no. <u>312-255-5490</u>		EIN <u>                    </u>			

## FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	AMOUNT
ACCRUED INTEREST PAID	<513.>
BOND PREMIUM AMORTIZATION	<1,119.>
CHARLES SCHWAB	3,881.
JP MORGAN CHASE, N.A. - CHECKING	7.
JP MORGAN CHASE, N.A. - INVESTMENT	12,100.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	14,356.

## FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
CHARLES SCHWAB	35,863.	8.	35,855.
JPMORGAN	22,434.	0.	22,434.
TOTAL TO FM 990-PF, PART I, LN 4	58,297.	8.	58,289.

## FORM 990-PF LEGAL FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEES	550.	0.		0.
TO FM 990-PF, PG 1, LN 16A	550.	0.		0.

## FORM 990-PF ACCOUNTING FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
TAX PREPARATION FEES	2,800.	0.		0.
TO FORM 990-PF, PG 1, LN 16B	2,800.	0.		0.

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FORM 990-PF	TAXES	STATEMENT	5
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAXES	570.	570.		0.
TO FORM 990-PF, PG 1, LN 18	570.	570.		0.

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FORM 990-PF	OTHER EXPENSES	STATEMENT	6
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ILLINOIS FILING FEES	15.	0.		0.
VALUE OF GOODS AND SERVICES RECEIVED ON CONTRIBUTIONS	1,150.	0.		0.
TO FORM 990-PF, PG 1, LN 23	1,165.	0.		0.

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FORM 990-PF	CORPORATE STOCK	STATEMENT	7
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE STOCKS AND MUTUAL FUNDS - SEE ATTACHED	2,314,189.	2,528,835.
TOTAL TO FORM 990-PF, PART II, LINE 10B	2,314,189.	2,528,835.

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FORM 990-PF	CORPORATE BONDS	STATEMENT	8
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE BONDS - SEE ATTACHMENT	252,332.	246,087.
TOTAL TO FORM 990-PF, PART II, LINE 10C	252,332.	246,087.

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**MICHAEL E. MURPHY FOUNDATION  
FOR YEAR ENDED DECEMBER 31, 2009**

**FEIN: 36-3436624**

**INVESTMENTS - Corporate Stock and Mutual Funds - ATTACHMENT TO STATEMENT 7**

<b>Description</b>	<b>Book Value</b>	<b>FMV</b>	
I-Shares TR MSCI EAFE FD 1,000 shs	76,138	55,280	JPMorgan
I-Shares TR Russell Midcap 2,000 shs	115,043	90,680	JPMorgan
I-Shares TR Russell 2000 Index 1,000 shs	77,213	62,440	JPMorgan
I-Shares S&P Europe350 Index Fund 2,000 shs	120,121	77,920	JPMorgan
I-Shares S&P GLBL 100 INDX FD 2,000 shs	154,671	120,500	JPMorgan
I-Shares Trust S&P 500 Index Fund 1,000 shs	144,213	111,810	JPMorgan
Midcap SPDR trust series 1 2,000 shs	235,441	263,480	JPMorgan
Vanguard Pacific ETF 1,000 shs	66,250	51,320	JPMorgan
Exxon Mobil Corp 1,000 shs	66,730	68,190	JPMorgan
SPDR Trust Series 1 large cap 2,000 shs	150,760	222,880	JPMorgan
Vanguard Total Stock Market ETF 3,000 shs	112,613	169,110	JPMorgan

A T & T Inc New 1,000 shs	23,730	28,030	Schwab
Exxon Mobil Corp 1,500 shs	97,149	102,285	Schwab
Northern Trust Corp 1,900 shs	93,940	99,560	Schwab
Pfizer Incorporated 1,000 shs	17,568	18,190	Schwab
Ishares TR MSCI EAFE FD 1,200 shs	48,260	66,336	Schwab
Ishares tr S&P 500 1,000 shs	76,259	111,810	Schwab
Mid Cap S P D R Trust 1,000shs	83,569	131,740	Schwab
S P D R Trust Unit SR 1 1,000 shs	75,959	111,440	Schwab
Vanguard bond index fund intermediate term 2,200 shs	161,234	173,954	Schwab
Vanguard bond index fund short term 1,000 shs	78,522	79,540	Schwab
Vanguard European 2,000 shs	77,564	96,960	Schwab
Vanguard Pacific 2,000 shs	85,575	102,640	Schwab
Vanguard Total Stock Mkt 2,000 shs	75,669	112,740	Schwab
<b>TOTAL</b>	<b><u>2,314,189</u></b>	<b><u>2,528,835</u></b>	

JP Morgan Book Value	1,319,192
Schwab Book Value	994,997
JP Morgan Market Value	1,293,610
Schwab Market Value	1,235,225

**MICHAEL E. MURPHY FOUNDATION  
FOR YEAR ENDED DECEMBER 31, 2009**

**FEIN: 36-3436624**

**INVESTMENTS - CORPORATE BONDS - ATTACHMENT TO STATEMENT 8**

<b>Description</b>	<b>Book Value</b>	<b>FMV</b>
G.E. Cap Corp NT 6.05% Due 02/06/2047	200,745	193,280
Toyota Motor CR 5.45% Due 05/18/2011	51,587	52,807
<b>TOTAL</b>	<b><u>252,332</u></b>	<b><u>246,087</u></b>

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FORM 990-PF	PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS	STATEMENT	9
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NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
MICHAEL E. MURPHY 1242 N. LAKE SHORE DRIVE, #25 CHICAGO, IL 60610	DIRECTOR/VP 0.00	0.	0.	0.
ADELE A. MURPHY 1242 N. LAKE SHORE DRIVE, #25 CHICAGO, IL 60610	VP, SEC., TREAS., DIRECTOR 0.00	0.	0.	0.
LESLIE M. BARKER 1242 N. LAKE SHORE DRIVE, #25 CHICAGO, IL 60610	PRESIDENT/DIRECTOR 0.00	0.	0.	0.
GLENN S. MURPHY 1242 N. LAKE SHORE DRIVE, #25 CHICAGO, IL 60610	DIRECTOR 0.00	0.	0.	0.
EUGENE F. ZELEK, JR. 311 SOUTH WACKER DRIVE, SUITE 3000 CHICAGO, IL 60606	ASSISTANT SECRETARY 0.00	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		0.	0.	0.

FORM 990-PF

GRANTS AND CONTRIBUTIONS  
PAID DURING THE YEAR

STATEMENT 10

RECIPIENT NAME AND ADDRESS	RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT	RECIPIENT STATUS	AMOUNT
BIG SHOULDERS FUND CHICAGO, IL	NONE CHARITABLE PURPOSE	PUBLIC CHARITY	30,000.
CHICAGO CULTURAL CENTER CHICAGO, IL	NONE CHARITABLE PURPOSE	PUBLIC CHARITY	9,250.
HIGH JUMP CHICAGO, IL	NONE CHARITABLE PURPOSE	PUBLIC CHARITY	1,500.
IMMACULATE CONCEPTION CHURCH CHICAGO, IL	NONE CHARITABLE PURPOSE	PUBLIC CHARITY	47,000.
JOFFREY BALLET CHICAGO, IL	NONE CHARITABLE PURPOSE	PUBLIC CHARITY	25,000.
MISERICORDIA HOME CHICAGO, IL	NONE CHARITABLE PURPOSE	PUBLIC CHARITY	10,000.
ST. PETER'S CHURCH CHICAGO, IL	NONE CHARITABLE PURPOSE	PUBLIC CHARITY	16,000.
THE FAMILY INSTITUTE EVANSTON, IL	NONE CHARITABLE PURPOSE	PUBLIC CHARITY	3,000.

## MICHAEL E. MURPHY FOUNDATION

36-3436624

CHICAGO CITY DAY SCHOOL CHICAGO, IL	NONE CHARITABLE PURPOSE	PUBLIC CHARITY	2,500.
LYRIC OPERA OF CHICAGO CHICAGO, IL	NONE CHARITABLE PURPOSE	PUBLIC CHARITY	2,000.
SACRED HEART SCHOOL CHICAGO, IL	NONE CHARITABLE PURPOSE	PUBLIC CHARITY	1,500.
STEPPENWOLF THEATRE COMPANY CHICAGO, IL	NONE CHARITABLE PURPOSE	PUBLIC CHARITY	2,100.
TOTAL TO FORM 990-PF, PART XV, LINE 3A			149,850.

Michael E. Murphy Foundation  
12/31/2009  
2009 Schwab Capital Transactions

Stock Description	Shares	Date Purchased	Date Sold	Proceeds	Cost Basis	Short-Term Gain	Long-Term Gain
General Electric Cap	25,000	10/22/08	9/15/09	25,000.00	25,000.00	-	
Ishares DJ Select Div FDSelect Div	1,000	12/1/08	2/17/09	32,283.86	40,764.95	(8,481.09)	
Ishares DTR S&P Topix 150 S&P	400	9/29/08	1/15/09	14,874.96	18,827.35	(3,952.39)	
Vanguard Bond Index Fund Interm	1,000	11/11/08	6/4/09	75,990.08	72,565.85	3,424.23	
Vanguard Bond Index Fund Short tm	1,000	11/20/08	8/24/09	79,456.77	77,608.95	1,847.82	
Microsoft Corp	1,000	7/7/05	2/11/09	19,301.94	24,549.85		(5,247.91)
Pepsico Incorporated	1,000	07/05/05	02/02/09	49,217.16	53,609.95		(4,392.79)

Total LT Gain or Loss from Stock Sales

68,519 78,160 (9,640.70)

Total ST Gain or Loss from Stock Sales

227,605.67 234,767.10 (7,161.43)

296,124.77 312,926.90